

SECRET

3 January 1961

MEMORANDUM FOR: SSA/DDS

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ATTENTION :

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SUBJECT : Proposed Revision of

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1. I have reviewed with our Branch Chiefs the question of possible exceptions this Division might present if we are to operate under the proposed revision to I find that we can currently identify two causes for exception requests, e.g. (1) Inflation and (2) rapid expansion of population in a city without commensurate expansion of housing. The extent of the exception requests is unknown because of the nature of the causes, however, it is believed they would be limited to only one country at a time.

2. When inflation occurs the prices asked for rental property rise rapidly. The procedures established for adjusting rental allowances are quite involved and therefore take considerable time, possibly one or two years, before they approach the new price schedule.

3. We find that business and industry are expanding very rapidly in many of the countries within the Division area. This expansion creates an influx of nationals and foreign nationals to the cities where the expansion is taking place. The law of supply and demand pushes up rental prices at a faster rate than the rental allowance procedures operate.

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Chief, WH

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25 YEAR RE-REVIEW

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